

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH EASTERN WATER)	
ASSOCIATION, INC. OF PULASKI COUNTY,)	CASE NO.
KENTUCKY, FOR ORDER APPROVING CONSTRUCTION)	95-335
FINANCING, CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY AND INCREASED RATES)	

O R D E R

On August 18, 1995, South Eastern Water Association, Inc. ("South Eastern") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,064,500 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 171 additional customers. The rates proposed by South Eastern and approved by the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, apply only to those customers formerly served by the Tateville Water Association, Inc. and new customers added as a result of this project in the Garland Bend area of Pulaski County.¹ Project

¹ Tateville Water Association, Inc., Nelson Valley Water Association, Inc., and Elihu-Rush Branch Water Association, Inc., merged pursuant to Commission Order dated February 22, 1988 in Case No. 9967, In the Matter of the Proposed Merger of Barnesburg Water Association, Bronston Water Association, Elihu-Rush Branch Water Association, Oak Hill Water Association, Pleasant Hill Water District, Pulaski County Water District No. 1, Pulaski County Water District No. 2, and Tateville Water Association.

funding includes a \$373,000 bond issue to be purchased pursuant to an agreement with the RECD, a \$531,000 grant from RECD, and a \$100,000 grant from the Appalachian Regional Commission ("ARC"), and \$60,500 from applicants for service in the proposed project area.

South Eastern's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on August 18, 1995, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. South Eastern is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. South Eastern's proposed plan of financing with RECD and ARC is accepted.

3. South Eastern is authorized to issue bonds not to exceed \$373,000 to be held or insured by RECD.

4. South Eastern shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. South Eastern shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. South Eastern shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), South Eastern shall take immediate action to bring the system into compliance with Commission regulations.

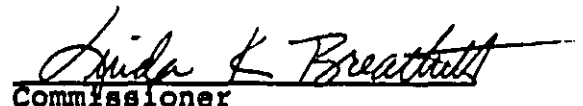
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 13th day of September, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-335 DATED SEPTEMBER 13, 1995.

The following rates and charges are prescribed for the customers of South Eastern Water Association, Inc. formerly served by Tateville Water Association, Inc., including those to be served by the Garland Bend expansion project. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES:

5/8" x 3/4"

First	2,000 gallons	\$14.05	Minimum Bill
all over	2,000 gallons	5.12	per 1,000 gallons

3/4"

First	5,000 gallons	29.41	Minimum Bill
all over	5,000 gallons	5.12	per 1,000 gallons

1"

First	10,000 gallons	\$55.01	Minimum Bill
all over	10,000 gallons	5.12	per 1,000 gallons

1 1/2"

First	15,000 gallons	\$80.61	Minimum Bill
all over	15,000 gallons	5.12	per 1,000 gallons

2"

First	20,000 gallons	\$106.21	Minimum Bill
all over	20,000 gallons	5.12	per 1,000 gallons